GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1640
ANSWERED ON:25.07.2002
FREIGHT EQUALISATION SCHEME
AJAY CHAKRABORTY

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Oil Companies are considering a proposal to do away with the freight equalisation scheme and there will be wide variation in the prices of petrol and diesel in inland town compared to coastal areas; and

(b) if so, the details thereof and the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINIS PARLIAMENTARY AFFAIRS. (SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): In a free market scenario, the price of petrol and diesel would vary between coastal and inland locations. With a view to facilitate a smooth transition from the APM (Administered Pricing Mechanism) era to a free market scenario, the public sector oil companies are presently equalizing the freight cost upto depots in the price build up of petrol and diesel.